

# 2011 Property Tax Report

## Fountain County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Fountain County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Fountain County

The average homeowner saw a 0.4% tax bill decrease from 2010 to 2011.

Homestead taxes in 2011 were 30.4% lower than they were in 2007, before the property tax reforms.

93.4% of homeowners saw lower tax bills in 2011 than in 2007.

57.8% of homeowners saw tax decreases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	1,268	29.7%	243	5.7%
No Change	246	5.8%	38	0.9%
Lower Tax Bill	2,761	64.6%	3,994	93.4%
<b>Average Change in Tax Bill</b>	<b>-0.4%</b>		<b>-30.4%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	476	11.1%	156	3.6%
10% to 19%	213	5.0%	30	0.7%
1% to 9%	579	13.5%	57	1.3%
0%	246	5.8%	38	0.9%
-1% to -9%	2,470	57.8%	188	4.4%
-10% to -19%	181	4.2%	464	10.9%
-20% to -29%	34	0.8%	607	14.2%
-30% to -39%	17	0.4%	821	19.2%
-40% to -49%	15	0.4%	837	19.6%
-50% to -59%	12	0.3%	455	10.6%
-60% to -69%	8	0.2%	168	3.9%
-70% to -79%	3	0.1%	116	2.7%
-80% to -89%	4	0.1%	85	2.0%
-90% to -99%	2	0.0%	73	1.7%
-100%	15	0.4%	180	4.2%
<b>Total</b>	<b>4,275</b>	<b>100.0%</b>	<b>4,275</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

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*LOWER TAX RATES REDUCED  
HOMESTEAD TAX BILLS,  
DESPITE THE LOSS OF THE  
STATE HOMESTEAD CREDIT*

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#### Homestead Property Taxes

Homestead property taxes decreased 0.4% on average in Fountain County in 2011. The statewide average was a 4.4% increase. Fountain County homestead taxes were 30.4% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax decrease in 2011 was mostly due to a decline in tax rates. The impact of this rate decrease was lessened by the phaseout of the state homestead credit in 2011. The state homestead credit was 4.2% in Fountain County in 2010.

#### Tax Rates

Property tax rates fell in most Fountain County tax districts. The average tax rate declined by 5.2% because of an increase in net assessed value coupled with a decrease in the levy. Levies in Fountain County declined by 2.6%. The biggest levy increases were in the county general and reassessment funds, and the Attica Consolidated Schools debt service and bus replacement funds. The biggest levy reductions were in the Covington Schools and Southeast Fountain Schools debt service funds. Fountain County's total net assessed value increased 2.2% in 2011. (The certified net AV used to compute tax rates rose by 2.8%.) Homestead and agricultural net assessments increased by 1.2% and 2.7%, respectively. Other residential assessments showed a small increase at 0.1%, while business net assessments increased by 3.3%.

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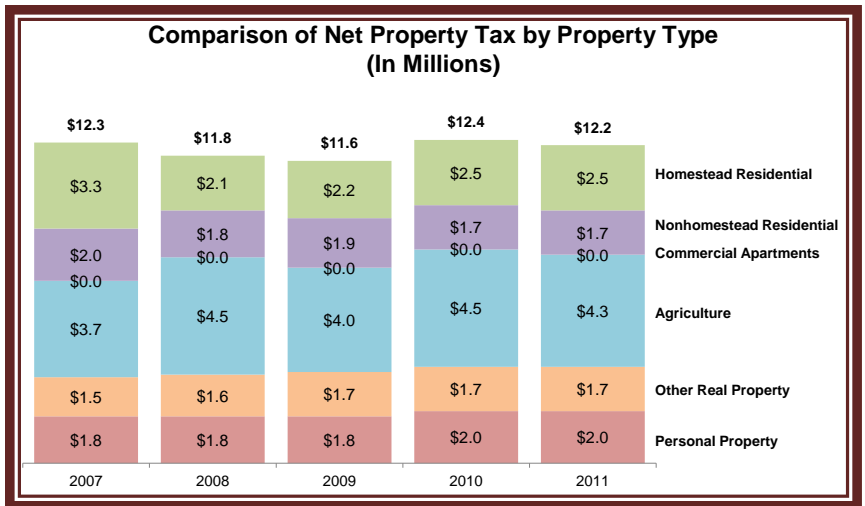
*BUSINESS AND AGRICULTURAL TAX BILLS  
DECLINED, BUT OTHER RESIDENTIAL AND  
APARTMENT TAXES INCREASED*

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### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers decreased 1.7% in Fountain County in 2011, compared to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 1.6%. Tax bills for commercial apartments increased 8.4%. Assessments for these properties increased. Business tax bills -

which include commercial, industrial and utility buildings, land and equipment – fell by 1.1%, due to the drop in tax rates. Agricultural tax bills decreased 4.1%, due to tax rate reductions. These lower tax bills occurred despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS DECREASED  
IN 2011, DUE TO LOWER TAX  
RATES*

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Total tax cap credit losses in Fountain County were \$313,519, or 2.5% of the levy. This was much less than the state average loss rate of 9.2%, and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Fountain County's tax rates were lower than the state median.

Most of the total tax cap credits were in the 2% nonhomestead/farmland category; the rest were in the 1% homestead and elderly categories. Fountain has no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualifies for credits. The largest percentage losses were in the cities of Attica and Covington, which are located in districts with tax rates above \$2. The largest dollar losses were Attica and Covington, Attica and Covington School Corporations, and the county unit.

Fountain County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$51,341	\$304,469	\$0	\$7,766	\$363,576	2.8%
2011 Tax Cap Credits	38,879	267,884	0	6,756	313,519	2.5%
Change	-\$12,462	-\$36,585	\$0	-\$1,010	-\$50,057	-0.3%

Tax cap credits fell in Fountain County in 2011 by \$50,057, or 14%. Most of the decrease in tax cap

credits was in the 2% tax cap category, due to lower tax rates. The elimination of the state homestead credit prevented a larger drop in credits in the 1% tax cap category.

### The Effect of Recession

The 2009 recession had a small effect on Fountain County assessments for pay-2011. Property values and construction activity appear to have risen by only a small amount in Fountain County in 2009. A bigger increase would have reduced tax rates more, which would have cut tax cap credit losses more.

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*2009 RECESSION HAD A SMALL EFFECT  
ON ASSESSMENTS IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$467,757,000	\$468,482,300	0.2%	\$171,578,933	\$173,615,889	1.2%
Other Residential	72,380,000	72,447,500	0.1%	71,888,490	71,952,590	0.1%
Ag Business/Land	293,580,400	301,578,400	2.7%	293,202,410	301,004,390	2.7%
Business Real/Personal	200,836,680	202,979,540	1.1%	171,593,090	177,320,130	3.3%
<b>Total</b>	<b>\$1,034,554,080</b>	<b>\$1,045,487,740</b>	<b>1.1%</b>	<b>\$708,262,923</b>	<b>\$723,892,999</b>	<b>2.2%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Fountain County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	16,750,076	17,714,164	11,480,746	12,319,649	12,000,786	5.8%	-35.2%	7.3%	-2.6%
State Unit	16,624	17,982	0	0	0	8.2%	-100.0%		
Fountain County	3,926,078	4,049,669	3,134,571	3,187,098	3,326,208	3.1%	-22.6%	1.7%	4.4%
Cain Township	12,832	12,668	12,034	12,770	12,914	-1.3%	-5.0%	6.1%	1.1%
Davis Township	13,371	13,992	14,515	14,978	15,321	4.6%	3.7%	3.2%	2.3%
Fulton Township	21,006	22,185	22,881	23,329	24,237	5.6%	3.1%	2.0%	3.9%
Jackson Township	19,835	20,585	21,385	22,067	22,767	3.8%	3.9%	3.2%	3.2%
Logan Township	34,095	35,935	37,271	37,082	38,908	5.4%	3.7%	-0.5%	4.9%
Millcreek Township	21,871	22,161	22,672	23,070	24,016	1.3%	2.3%	1.8%	4.1%
Richland Township	23,361	25,023	25,910	26,103	27,634	7.1%	3.5%	0.7%	5.9%
Shawnee Township	20,087	19,971	21,583	21,831	22,573	-0.6%	8.1%	1.1%	3.4%
Troy Township	43,991	45,435	46,289	47,676	48,524	3.3%	1.9%	3.0%	1.8%
Van Buren Township	86,422	74,331	69,145	85,000	85,895	-14.0%	-7.0%	22.9%	1.1%
Wabash Township	17,442	17,977	18,922	19,492	19,880	3.1%	5.3%	3.0%	2.0%
Attica Civil City	736,269	775,417	778,049	791,499	826,554	5.3%	0.3%	1.7%	4.4%
Covington Civil City	539,688	569,687	557,481	567,729	545,792	5.6%	-2.1%	1.8%	-3.9%
Hillsboro Civil Town	47,988	50,500	52,434	53,338	55,758	5.2%	3.8%	1.7%	4.5%
Kingman Civil Town	54,295	55,540	58,037	58,709	58,524	2.3%	4.5%	1.2%	-0.3%
Mellott Civil Town	11,373	11,743	12,130	12,563	13,127	3.3%	3.3%	3.6%	4.5%
Newtown Civil Town	13,342	13,970	14,065	13,001	14,296	4.7%	0.7%	-7.6%	10.0%
Veedersburg Civil Town	258,011	331,486	252,834	256,108	259,376	28.5%	-23.7%	1.3%	1.3%
Wallace Civil Town	685	733	733	733	765	7.0%	0.0%	0.0%	4.4%
Attica Consolidated School Corporation	3,350,431	3,395,955	1,890,882	1,962,764	2,032,488	1.4%	-44.3%	3.8%	3.6%
Covington Community School Corporation	2,713,098	2,907,678	1,685,006	2,107,565	1,857,853	7.2%	-42.0%	25.1%	-11.8%
Southeast Fountain School Corporation	4,196,294	4,691,204	2,188,269	2,397,238	2,090,309	11.8%	-53.4%	9.5%	-12.8%
Covington Public Library	172,426	176,274	184,000	187,749	193,310	2.2%	4.4%	2.0%	3.0%
Kingman-Millcreek Public Library	40,583	42,584	44,706	45,875	48,087	4.9%	5.0%	2.6%	4.8%
Attica Public Library	179,750	186,107	182,458	207,303	194,885	3.5%	-2.0%	13.6%	-6.0%
Fountain County Solid Waste Mgt. District	121,911	127,372	132,484	136,979	140,785	4.5%	4.0%	3.4%	2.8%
Veedersburg Redevelopment Commission	56,917	0	0	0	0	-100.0%			

### Fountain County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
23001	Cain Township	1.1985	--	--	6.7960%	--	--	--	1.1170
23002	Hillsboro Town	1.7626	--	--	1.0948%	--	--	--	1.7433
23003	Davis Township	1.7278	--	--	2.3042%	--	--	--	1.6880
23004	Fulton Township	1.6585	--	--	3.5596%	--	--	--	1.5995
23005	Jackson Township	1.2299	--	--	4.4091%	--	--	--	1.1757
23006	Wallace Town	1.2467	--	--	6.5906%	--	--	--	1.1645
23007	Logan Township	1.7228	--	--	10.0362%	--	--	--	1.5499
23008	Attica City	2.5761	--	--	35.8148%	--	--	--	1.6535
23011	Richland Township	1.2156	--	--	4.3409%	--	--	--	1.1628
23012	Mellott Town	1.5531	--	--	31.1143%	--	--	--	1.0699
23013	Newtown Town	1.4754	--	--	0.1187%	--	--	--	1.4736
23014	Shawnee Township	1.6067	--	--	2.4719%	--	--	--	1.5670
23015	Troy Township	1.7434	--	--	3.5347%	--	--	--	1.6818
23016	Covington City	2.6783	--	--	1.5226%	--	--	--	2.6375
23017	Van Buren Township	1.4164	--	--	3.8222%	--	--	--	1.3623
23018	Veedersburg Town	1.9881	--	--	22.8940%	--	--	--	1.5329
23019	Wabash Township	1.6399	--	--	7.1237%	--	--	--	1.5231
23020	Millcreek Township	1.2761	--	--	4.8066%	--	--	--	1.2148
23021	Kingman Town	1.8661	--	--	5.6548%	--	--	--	1.7606

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Fountain County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	38,879	267,884	0	6,756	313,519	12,000,786	2.6%
<i>TIF Total</i>	0	0	0	0	0	625,652	0.0%
<i>County Total</i>	38,879	267,884	0	6,756	313,519	12,626,438	2.5%
Fountain County	7,460	49,775	0	1,579	58,814	3,326,208	1.8%
Cain Township	5	0	0	0	5	12,914	0.0%
Davis Township	0	0	0	0	0	15,321	0.0%
Fulton Township	3	0	0	16	19	24,237	0.1%
Jackson Township	6	0	0	2	8	22,767	0.0%
Logan Township	34	1,628	0	8	1,670	38,908	4.3%
Millcreek Township	12	0	0	28	40	24,016	0.2%
Richland Township	2	0	0	1	3	27,634	0.0%
Shawnee Township	1	0	0	7	8	22,573	0.0%
Troy Township	235	788	0	31	1,054	48,524	2.2%
Van Buren Township	9	0	0	9	18	85,895	0.0%
Wabash Township	0	0	0	7	7	19,880	0.0%
Attica Civil City	285	51,339	0	246	51,869	826,554	6.3%
Covington Civil City	12,729	42,630	0	1,304	56,662	545,792	10.4%
Hillsboro Civil Town	315	0	0	43	358	55,758	0.6%
Kingman Civil Town	94	0	0	10	104	58,524	0.2%
Mellott Civil Town	0	0	0	12	12	13,127	0.1%
Newtown Civil Town	34	0	0	0	34	14,296	0.2%
Veedersburg Civil Town	126	0	0	125	250	259,376	0.1%
Wallace Civil Town	0	0	0	0	0	765	0.0%
Attica Consolidated School Corporation	940	61,564	0	433	62,937	2,032,488	3.1%
Covington Community School Corp.	13,870	46,328	0	1,856	62,053	1,857,853	3.3%
Southeast Fountain School Corporation	972	0	0	726	1,698	2,090,309	0.1%
Covington Public Library	1,291	4,261	0	158	5,710	193,310	3.0%
Kingman-Millcreek Public Library	29	0	0	52	81	48,087	0.2%
Attica Public Library	112	7,466	0	38	7,615	194,885	3.9%
Veedersburg Redevelopment	0	0	0	0	0	0	
Fountain County Solid Waste Mgt. District	316	2,107	0	67	2,489	140,785	1.8%
Veedersburg Redevelopment Commission	0	0	0	0	0	0	
TIF - Veedersburg Redevelopment	0	0	0	0	0	625,652	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.